
From: Billups, Keener
Sent: Tuesday, April 26, 2011 1:23 PM
To: Comment Letters
Subject: FW: Notice 2011-18

Please see [minor change to my response](#)

From: Billups, Keener
Sent: Wednesday, April 13, 2011 3:00 PM
To: 'commentletters@msrb.org'
Subject: Notice 2011-18

Dear Sirs

I am the Managing Director and Head Trader for the Municipal Department of Wiley Bros – Aintree Capital in Nashville, TN. I believe the proposed changes to how broker's brokers do business if enacted would ultimately create more onerous trading conditions, less liquidity and an overall less friendly purchase or sale environment for market participants. I believe the class of investors that will be most greatly affected would be individual investors, since they are the primary buyers of municipal bonds.

Proposed rule G-43(a)(iv) would put undue pressure on a broker's broker to determine what price is fair. Generally, the market will determine what is fair. I do not believe it is the broker dealer's role to determine suitability for investors. This is especially critical in illiquid market conditions.

Proposed rule G-43(C)(iv) will create less liquidity in the market as a whole. The municipal market is an entirely over-the-counter market that depends on dealers both large and small to provide liquidity. My firm is a small firm that does not have unlimited capital to purchase bonds for inventory. I need the ability to ascertain if I am the best bid on a bid wanted item or not, so that I may be able to properly allocate my firm's capital.

Proposed rule G-43(C)(vi) will also hurt liquidity in the municipal market. As the market has embraced technology, bids are submitted verbally, by email, by Bloomberg messages or on websites. Every trader eventually makes mistakes, mistypes, enters the a bid for the wrong bond etc. Enforcing trader's mistakes does not create better liquidity. Broker's brokers can often tell if an erroneous bid is submitted and aid the liquidity of the bid wanted market by alerting dealers of mistakes. If changing a mistake requires seller approval, there will be many instances where a seller might punish a mistake by forcing a sale at the erroneous bid.

Proposed rule G-43(C)(vii) will add an unnecessary layer of documentation to the daily bid wanted process. I feel that a verbal instruction to raise or lower a bid prior to the broker's brokers submission to the seller should suffice.

Thank you for consideration of my comments on this matter.

Keener Billups
Managing Director
Wiley Bros.--Aintree Capital, LLC
615.782.4101

4/26/2011

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